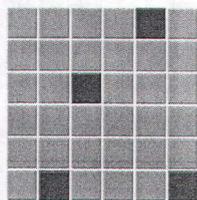


S/055/0012
cc: Wayne



State of Utah
School & Institutional
Trust Lands Administration

675 East 500 South, Suite 500
Salt Lake City, UT 84102-2818
801-538-5100
801-355-0922 (Fax)
www.trustlands.com

Gary R. Herbert
Governor

Greg Bell
Lieutenant Governor

Kevin S. Carter
Director

May 10, 2011

John Young
2402 Broadview Ct.
Sandy, UT 84092

CERTIFIED MAIL #71603901984629997778
NOTICE OF LESSEE'S BREACH OF MINERAL LEASE AGREEMENT ML 45409

Dear Mr. Young:

Notice is hereby provided to Lessee in accordance with Article XIX of ML 45409 that Lessee is in breach of the terms and conditions of the lease. Lessee is in breach of Article III of ML 45409 for failure to pay annual fees to the Division of Oil, Gas & Mining that are required to maintain DOGM mining permit #S/055/0012 in good standing for the years 2009 and 2010.

If the above described breach shall continue without remedy for a period of thirty days from the date hereinabove first written then Lessee shall forfeit all rights granted under ML 45409 and the lease shall be terminated. Acceptable remedy requires that within the next thirty days Lessee must provide the Trust Lands Administration with evidence that Lessee has complied with all valid rules and regulations of the Division of Oil, Gas & Mining and paid all fees and penalties necessary to bring permit #S/055/0012 into good standing.

Please contact me immediately if you have any questions or do not understand the requirements of this notice.

Sincerely,

John T. Blake
Trust Land Specialist

CC: Wayne Western